

Select Board Meeting

June 22, 2023

In attendance: David Dufresne, Chair; Derick Veliz, Clerk; James Ferrera, Town Administrator; Karen Dusty, Administrative Assistant
Call Meeting to order: 6:02pm

Pledge of Allegiance.

- 1. Presentation by Town Auditor James J. Giusti, CPA, Management Letter and Fiscal Year 2022 Financial Statements of the Town.** Mr. Giusti went over the findings from his financial audit of the financial statements. There were no major findings. See attached audit.
- 2. Discussion and possible vote on appointing Andrew Nepal as a full-time Police Officer for 1-year term** Mr. Dufresne made a motion to appoint Andrew Nepal as a full-time Police Officer for a one (1) year term.
- 3. Discussion and possible vote on updating the position description for the Assessor's Clerk position.** Mr. Ferrera went over the job description. The job will be on the website starting on July 3 until July 31st.
- 4. Discussion and possible appointments on year end**
 - a. 1-year terms:** Mr. Dufresne made a motion to appoint the following people for a one-year term except Gary Lapine only until November 1, 2023, 2nd by Mr. Veliz all in favor passed unanimously
 - i. Richard Eichacker as the Board of Selectmen Alternate**
 - ii. Otto Shillieto on the Conservation Commission**
 - iii. Phillip A. Woodford on the Conservation Commission**
 - iv. Gail Winders Council on Aging – General Helper**
 - v. Dawn Guizik Police Administrative Clerk**
 - vi. Sylvia Buck on the Quaboag Hill Tourism**
 - vii. Gary Lapine as the Veterans Services Officer until November 1, 2023**
 - b. and 3-year terms:** Mr. Dufresne made a motion to appoint the following people to a 3-year term; 2nd by Mr. Veliz all in favor passed unanimously.
 - i. Martha W. Giguere on the Board of Appeals**
 - ii. Ronald G. Leger on the Board of Appeals**
 - iii. Kerry A. Schmidt on the Board of Appeals**
 - iv. Joyce Eichacker on the Conservation Commission**
 - v. Sharon Meli as the Council on Aging – Director**
 - vi. Sharon Meli as the COA – SMC Elder Bus**
 - vii. William Shoucair on the Historical Commission**
 - viii. Thomas G. Perkins on the Historical Commission**
 - ix. Sylvia Buck on the Historical Commission**
 - x. Ronald G. Leger on the Zoning Board of Appeals**
 - xi. Albert Dimo on Council on Aging**

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5. **Warrants & Bills:**

- a. **Warrants:** Mr. Dufresne made a motion to pay the following warrants 2nd by Mr. Veliz all in favor Passed unanimously.

i.	#113	Payroll	\$ 48,794.72
ii.	#114	Vendor	\$171,227.75

- b. **Bills:** Mr. Dufresne made a motion to pay the following bills 2nd by Mr. Veliz AIF Passed unanimously.

i.	B-G Mechanical Service, Inc	\$	1,012.66
ii.	Mirick O'Connell		
	\$725.00+130.00+120.00+165.00+775.00=	\$	1,915.00
iii.	KP Law PC	\$4,892.36+567.00=	\$ 5,459.36
iv.	Buffon Cleaning Services	\$	1,600.00
v.	National Grid	\$	344.42
vi.	My Marlin	\$	1,107.23

- **Minutes:** NO minutes

- **Town Administrator Report:**

- Mr. Ferrera stated that they received one proposal back for the RFP for a safety Complex and Municipal Complex, even though they had 16 requests for a packet. The one that they received back is a good company that has conducted this type of proposal in other towns. He has put together a review committee of the following people Chief Millette, Chief Lavoie, Tammy Martin, and Cathy Barnes. They will meet this Tuesday June 27th to go over the proposal and decide the next steps.
- This morning he went to a tabletop discussion in Spence with MEMA about hurricane preparedness. The two Chiefs and Jessica from the Board of Health along with Jim McKeon the Emergency Management Director were all in attendance. MEMA presented useful information, it was stated that the small towns have a harder time getting all the needed supplies and services because of their budgets. Chief Lavoie stated that we needed to educate people about what is going on and what is the directive for them to do, for example, Shelter in place, Shelter is open, Cooling Shelter. Also, what they might need to take to a shelter, what is in a 48-hour kit to have at home or on the road if you are stuck.

- **New Business:** NONE

- **Old Business:**

- Mr. Dufresne wanted to know about the flags for the center of town, he stated that we would have to get an insurance policy with National Grid as the beneficiary. Once we redo the common, we can look into adding light posts with flags.
- Mr. Dufresne asked about the radio system, Chief Lavoie stated that they know where the source is and are having to change to not interfere with the frequency. It should be up and running without interference by the end of next week.

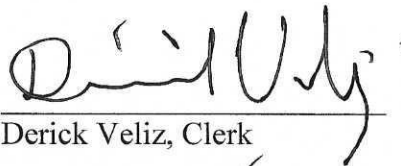
6. **Correspondence:** anonymous letter: The Building Inspector and Board of Health will address this letter.

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7. **Correspondence:** Mrs. Sandra Nechols: The Select board will review the letter and forward it to the proper department.
8. **Comments and Concerns:**
 - a. Mr. Kondrat stated that the report from the CPA is great, knowing that the town is in green not red.
 - b. Ms. Acerra stated that she was sorry they could not be here last week. She would like the board to reconsider the Special Town Employee request that she and Mr. Demetrius have asked for, she knows that it needs to be on the agenda to be able to vote. Mr. Dufresne stated that they would put it on the agenda for the next meeting to reconsider.
9. **Special Town meeting June 29, 2023, 7:00PM at QRM/HS auditorium**
10. **Adjourn:** Mr. Veliz made a motion to adjourn 2nd by Mr. Dufresne all in favor adjourn.

8:19pm

Respectfully submitted by
Karen Dusty, Administrative Assistant


Derick Veliz, Clerk

James J. Giusti, CPA, P.C.

Certified Public Accountant
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Georgetown, MA 01833
Phone: (978) 352-7470
JimGiustiCPA@gmail.com

June 6, 2023

Board of Selectmen
Town of Warren
48 High Street
Warren, MA 01083

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Town of Warren, Massachusetts, as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Warren's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Warren's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Warren's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

We do not consider the following matters to be significant deficiencies or material weaknesses. However, they are matters we want to communicate to you.

Single Audit Act and Uniform Guidance

In any year that the Town expends \$750,000 in Federal Funds, the requirements relating to the Single Audit Act will be in effect. The Single Audit Act states that if an entity expends more than \$750,000 during a fiscal year, an audit needs to be performed in accordance with the Single Audit Act requirements.

Several years ago, the OMB published its comprehensive overhaul of federal grant administrative, cost accounting, and audit policies in the Federal Register. This final guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), supersedes and combines the requirements of eight existing OMB Circulars (A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133). The Uniform Guidance significantly reformed federal grant making to focus resources on improving performance and outcomes with the intent to reduce administrative burdens for grant applicants and recipients and reduce the risk of waste, fraud, and abuse.

The Uniform Guidance is a substantial document that addresses (among many other topics) cost principles, internal controls, procurement requirements and audit requirements.

Another important area that the Uniform Guidance addresses, relates to the requirement that the internal control policies and procedures relating to federal funds must be documented and it must be in writing. The Town has prepared an internal control document relating to federal funds.

We recommend that the Town review the requirements relating to the Uniform Guidance each year, to be sure to be in compliance with the rules. It is also important that the Town review the internal control document every year to implement any changes to procedures and to be sure current requirements are addressed.

Preparation of the Schedule of Expenditures of Federal Award Programs

During a fiscal year when the Town expends more than \$750,000 in federal funds, it is subject to Single Audit requirements established by the Office of Management and Budget (OMB) and it must be in compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). As part of those requirements, the Town is required to prepare a Schedule of Expenditures of Federal Award Programs (SEFA). To meet this reporting requirement, the following information is necessary:

- Detailed information on all Federal Awards received. This includes Federal Awards received that have been passed through the State or other governing bodies.
- The Agency in which the funds were received from.
- The Catalog of Federal Domestic Assistance number (CFDA #) for each grant.
- The amount of funds expended in the fiscal year under audit.
- The pass-through entity identifying number and the grant year in which the federal expenditures relate, if the funds were passed through another governing body and not directly received from the Federal government.
- The amount passed through to any sub-recipients, if applicable.

It is important that the Town have procedures in place to compile this data so that an error or omission in the Schedule of Expenditures of Federal Awards does not occur.

Accounting Internal Controls - Recording, Reporting and Reconciliation Procedures

The Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants (AICPA), require that governmental accounting and auditing follow governmental standards. It is important that internal accounting control procedures be in place by the government, and these internal controls must be reviewed during an audit.

During our review of the internal accounting control policies and procedures being followed by the Town Treasurer, relating to cash reconciliation, for the fiscal year ended June 30, 2022, we found that good internal controls are in place and that proper procedures are being followed by the Treasurer in reconciling from the Treasurer's Cash Book to the actual bank statement balances each month. We also found that proper procedures are being followed by the Town Accountant when reconciling the general ledger cash account

balances to the Treasurer's cash account balances, in a timely manner each month. During our review we also found that proper procedures are being performed in the Town Accountant's office, the Treasurer's Office, and the Tax Collector's office, relating to reconciling the accounts receivable balances. However, during our review we found a variance between the Chapter 90 accounts receivable balance recorded in the Town Accountant's general ledger versus the balance reflected on the direct confirmation received from the Massachusetts Department of Transportation. This variance was not considered material, but it is important to establish procedures to reconcile this accounts receivable account each year. We recommend that the Town Accountant work closely with the Town's Highway Department to be sure that all of the Chapter 90 revenues and expenditures are properly recorded and reflected in the accounts receivable balance.

Tablet Attendance System

During our audit, we had a discussion with the Town Administrator regarding a new system that he instituted, relating to employees logging into I Pads, that have been mounted on a wall in most of the Town's municipal buildings, to keep track of when the employees are entering and leaving the buildings. We feel that this is a good accounting control that has been implemented. We would be willing to have a discussion with the Town Administrator and the new auditors, to see if there are any enhancements that can be made to this system, such as making it part of the employee payroll recording process.

In our discussions with the Town Administrator, we also became aware of the fact that the Town is in the process of implementing a new computerized accounting software system. We would be happy to provide any assistance that we can in implementing this new system, such as reviewing the UMAS (Uniform Municipal Accounting System) chart of accounts or related type matters. We would also be willing to provide assistance to the Town in the recording the complex accounting entries relating to ending the Town's Landfill Enterprise Fund and properly recording the adjusting journal entries and interfund transfer transaction's that governmental accounting standards and the UMAS accounting system requires.

Implementation of New GASB Pronouncements

Current Year Implementations –

The Governmental Accounting Standards Board, (GASB), issued "GASB Statement No. 87 – Leases", which is effective beginning in the fiscal year ended June 30, 2022. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and were not required to be reported in the financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources.

GASB 87 requires lease assets and liabilities to be reported in the financial statements, and the notes to the financial statements should include a description of leasing arrangements and the amount of lease assets and liabilities recognized. The Town should prepare a lease spreadsheet, each year, that includes a description of any leases the Town has entered into, the effective dates of each lease, the payment terms and amounts, maturity dates and interest rates (if available), and any other pertinent information relating to the leases. The adoption of this standard did not have a material impact on the Town's financial statements for fiscal year 2022.

In June 2018, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This statement established accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The objective of this Statement was to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town’s financial statements.

Future Year Implementations

In May 2019, the GASB issued GASB Statement No. 91, Conduit Debt Obligations. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, Compensate Absences. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

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This communication is intended solely for the information and use of management, and those charged with governance and others within the organization, and is not intended to be and should not be used by anyone other than those specified parties.

After you have had an opportunity to consider our comments and recommendations, we shall be pleased to discuss them further with you. We would like to thank you for the cooperation and courtesy extended to us during the course of the engagement.

Sincerely,

James J. Giusti

James J. Giusti
Certified Public Accountant



BOARD OF SELECTMEN MEETING

CHARLES E. SHEPARD MUNICIPAL BUILDING

DATE: 6/22/23

Attendee:

Joseph Kondrat Jr.

Attendee:

Attendee:

Becky Acerra

Attendee:

Attendee:

Richard Demetrious

Attendee:

Attendee:

Adam Lavoie

Attendee:

Attendee:

Gerry Millette

Attendee:

Attendee:

Ray Kon

Attendee:

Attendee:

Jim unknown last name

Attendee:

Attendee:

Jim Giustre

Attendee:

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